

March 2002 TAX FACTS

SUMMARY OF GENERAL FUND REVENUES

	<u>March 2002</u>	Fiscal Year <u>Total</u>
Individual Income Tax		
Net Collections	(\$30,576,555)	\$1,283,058,722
Percent Change	12.8%	(4.4%)
Corporate Income Tax		
Net Collections	\$27,181,078	\$199,712,432
Percent Change	(5.3%)	(43.4%)
Transaction Privilege, Severance & Use Taxes		
Net Collections	\$238,557,713	\$2,209,892,042
Change	2.8%	(0.3%)
Total Big Three Tax Types		
Net Collections	\$235,162,236	\$3,692,663,196
Percent Change	4.2%	(5.6%)

TAX FACTS

March 2002

INDIVIDUAL INCOME TAX

Individual Income Tax Receipts

	March 2002	March 2001	% Change
Gross Collections	\$22,392,673	\$22,269,973	0.6
Withholding	187,049,148	196,813,767	(5.0)
Refunds	(204,806,204)	(221,129,745)	(7.4)
Urban Revenue Sharing	(35,212,171)	(33,037,720)	6.6
Net Collections	(\$30,576,555)	(\$35,083,725)	12.8
	Fiscal Year Total (01/02)	Fiscal Year Total (00/01)	% Change
Gross Collections	\$298,870,857	\$325,376,255	(8.2)
Withholding	1,754,142,285	1,776,010,827	(1.2)
Refunds	(453,491,200)	(462,676,292)	(2.0)
Urban Revenue Sharing	(316,463,219)	(297,339,480)	6.4
Net Collections	\$1,283,058,722	\$1,341,371,311	(4.4)

Included in the refund amounts above are refunds relating to the alternative fuel vehicle income tax credit. In March \$1,521,897 in alternative fuel vehicle credits were processed. After offsetting \$793,812 in tax liability, refunds for this credit totaled \$728,085. This amount does not include withholding and estimated payments returned to taxpayers because their liability was covered by the alternative fuel vehicle credit. Additional refunds were paid out of corporate income tax.

Individual Income Tax Document Count

In calendar year 2001, the following individual income tax returns were filed:

	140X	140	140NR	140PY	140NPR	141	140A	140PTC	140EZ	OTHER	TOTAL
#	42,230	1,419,869	78,331	109,903	17	48,503	315,165	14,853	181,876	0	2,210,747
%	1.9	64.2	3.5	5.0	0.0	2.2	14.3	0.7	8.2	0.0	

In calendar year 2002 the number of returns filed, and processed, are as follows:

	140X	140	140NR	140PY	140NPR	141	140A	140PTC	140EZ	140ET	OTHER	TOTAL
#	5,803	510,961	11,419	25,347	5	5,131	143,652	7,598	77,632	1,152	1	788,701
%	0.7	64.8	1.4	3.2	0.0	0.7	18.2	1.0	9.8	0.1	0.0	

The 788,701 returns filed through March 2002 compares to 848,491 returns filed during the same period of time in 2001 for an annual decrease of 7.0%. This count represents multiple tax years. For tax year 2001 filed in 2002, 760,870 returns have been filed, this represents a 8.1% decrease from 2000 returns filed in 2001 during the same period of time.

Year-Over-Year Comparison of Resident Taxpayers

Comparisons of Federal Adjusted Gross Income (FAGI) and tax liability growth between two tax years can be made from taxpayers who have filed for both calendar years to be compared and who have indicated the same marital status on the tax returns for both years. The Department of Revenue has received 634,403 returns in calendar year 2002 for tax year 2001 from filers who also have returns on record from calendar year 2001 with the same marital status. On average, these filers experienced a 0.2% growth in FAGI and a 4.7% decrease in tax liability. More specifically, 41.4% of these filers experienced a decrease in tax liability; on average a decrease of 33.9% with a

corresponding average decrease in FAGI of 17.6%. Filers showing an increase in tax liability totaled 294,058 or 46.4%, with an average FAGI increase of 19.5% and an average tax liability increase of 31.3%.

Average Individual Income Tax Refund

Beginning with calendar year 2001 taxpayers who chose to file their returns electronically were given the option to direct deposit their refund. The figures shown below includes direct deposits.

	Average	Number
2002 CYTD	\$516.62	726,560
2001 CYTD	\$533.57	720,391
% Change	(3.2%)	0.9%

"New" Filers in Calendar Year 2002

Table 1 attached to this report, presents the number of "new" returns filed in calendar year 2002. "New" returns are for those filers who did not file in the previous calendar year. Therefore, these filers could be new full-year residents of Arizona, or they may be newly required to file an individual income tax return. (The filer may not have earned enough income in the previous year to file, such as a recent graduate just entering the work force.) The table indicates that 96,598 "new" returns have been filed thus far in 2002, representing approximately 115,927 persons, not including dependents. The average Federal Adjusted Gross Income for these 96,598 returns is \$16,182, with an average tax liability of \$187. The right half of this table presents characteristics of the filers represented on the returns. Of all "new" returns, 19.5% had a married filing joint filing status, 6.1% claimed a 65 And Over Exemption and 46.8% claimed dependents.

Individual Income Tax Estimated Payments

Beginning in 1990, individuals are required to make estimated payments to Arizona if their Arizona gross income will exceed \$75,000, in an amount which will represent unpaid tax liability at the end of the taxpayer's tax year. The total estimated payments on the 140ES for tax year 2000 was \$366.4 million, for an average of \$1,619. A total additional \$63.8 million in estimated payments was received as refunds on the 1999 tax returns applied to 2000 estimates, for an average of \$1,744. Estimated payments received through March 2002 for tax year 2001 were as follows:

03/02	140ES payment	\$805,912	Cumulative	\$334,701,818
03/01	140ES payment	\$18,604,277	Cumulative	\$363,844,439
	Percent change	(95.7%)		(8.0%)
03/02	Average payment	\$1,319	Cumulative	\$1,478
03/01	Average payment	\$1,292	Cumulative	\$1,625
	Percent change	2.1%		(9.0%)
03/02	Applied refund	\$585,781	Cumulative	\$66,584,647
03/01	Applied refund	\$169,176	Cumulative	\$62,916,695
	Percent change	(246.3%)		5.8%
Total 03/02		\$1,391,694	Cumulative	\$401,286,465
Total 03/01		\$18,773,454	Cumulative	\$426,761,134
	Percent change	(92.6%)		(6.0%)

Withholding

Withholding payments are received from employers and applied towards a specific quarter for the designated year. Information is gathered for 15 months for any given quarter. For example, from January 2000 through March 2001, \$544,546,230 was received for the first quarter of 2000. The latest complete quarter (15 months of information has been compiled) is the first quarter of 2001, which shows a growth rate of 3.1% in withholding payments over the first quarter of 2000. Growth in quarters for which information is still being gathered is as follows:

2 nd Quarter 2001	3.4%	4 th Quarter 2001	(0.4%)
3 rd Quarter 2001	4.6%	1 st Quarter 2002	(2.2%)

The comparisons made above were against the same number of months of collections in the previous year. In other words, the sixth month of information available for the fourth quarter of 2001 was compared against the sixth month of collections for the fourth quarter of 2000. Effective January 2002, current choices for withholding are 0%, 10%, 18%, 21%, 23%, 29% or 34% as the percent of federal taxes to be withheld for state taxes. The 0% option is only available to those individuals who had no liability in the prior tax year and expect no tax liability for the current year.

Property Tax Credits

Arizona allows a refundable property tax credit if you are age 65 or older or if you received Title 16, SSI payments. Additionally, your household income must be below \$3,751 if you live alone, or \$5,501 if you live with another person, to qualify for this credit. The maximum credit is \$502.

	Number	Amount	Average
Calendar Year 2002	7,443	\$2,544,937	\$341.92
Calendar Year 2001	8,980	\$2,903,856	\$323.37
% Change	(17.1%)	(12.4%)	5.7%

Clean Elections

As a result of the November 1998 voter approval of the Citizens Clean Elections, Arizona's income taxpayers can make a donation to the Citizens Clean Elections Commission through an income tax check-off or through a voluntary donation. Since the voter approval was not validated by the Federal Elections Commission until mid 1999, the 1998 tax forms did not carry these options. For tax year 2001, filed in 2002 and later, these options are available.

	March 2002	Calendar Year Total
Check Off	\$1,072,805	\$1,501,997
Voluntary Donation	\$13,283	\$17,940
Number of Returns	152,795	233,600

Contributions on the Individual Income Tax Return

Through March 2002, individual income tax return filers have made the following contributions:

	Number	Amount	Average
Wildlife	3,361	\$52,730	\$15.69
Child Abuse	4,347	\$70,999	\$16.33
Special Olympics	1,750	\$23,241	\$13.28
Neighbors Helping	1,049	\$15,086	\$14.38
AID to Education	138	\$16,790	\$121.67
Domestic Violence Shelter	2,895	\$47,540	\$16.42
Democratic Party	199	\$3,185	\$16.01
Republican Party	165	\$2,805	\$17.00
Libertarian Party	39	\$648	\$16.62
Reform Party	4	\$21	\$5.25
Green Party	37	\$622	\$16.81
Natural Law	5	\$20	\$4.00

CORPORATE INCOME TAX

Corporate Income Tax Receipts

	March 2002	March 2001	% Change
Gross Collections	\$35,243,355	\$43,775,996	(19.5%)
Refunds	(\$8,062,277)	(\$15,085,956)	(46.6%)
Net Collections	\$27,181,078	\$28,690,041	(5.3%)

	Fiscal Year Total (01/02)	Fiscal Year Total (00/01)	% Change
Gross Collections	\$336,367,210	\$468,307,619	(28.2%)
Refunds	(\$136,654,778)	(\$115,761,906)	18.0%
Net Collections	\$199,712,432	\$352,545,713	(43.4%)

Included in the refund amounts shown above are refunds for the alternative fuel vehicle credit program. In March, \$0.9 million in corporate alternative fuel vehicle refunds was paid out; for the fiscal year, the total is \$6.8 million.

Corporate Estimated Payments

Corporations are required to file estimated tax payments throughout the year only if (1) their Arizona tax liability exceeds \$1,000 and (2) they are required to file federal estimated tax payments.

March 2002	\$28,737,158	Calendar Year Total	\$45,106,303
March 2001	\$32,413,102	Calendar Year Total	\$56,992,665
% Change	(11.3%)	% Change	(20.9%)

All corporations with an income tax liability of \$20,000 or greater are required to make their estimated tax payments through electronic funds transfer (eft). The table below shows the number of these eft estimated payments, by size of payment, for March 2002 and for the fiscal year.

Size of Payment ➔	Less than \$50,000	\$50,000 up to \$100,000	\$100,000 up to \$500,000	\$500,000 up to \$1,000,000	\$1,000,000 up to \$10,000,000	\$10,000,00 0 and more	Total	% chg
March 2002	270	22	21	3	3	0	319	(10.9%)
March 2001	301	26	26	5	0	0	358	
CY 2002	497	43	37	9	4	0	590	(10.5%)
CY 2001	545	49	50	11	4	0	659	

Corporate Refunds

Corporate refunds paid in any state fiscal year are for a mixture of corporate fiscal years. The table below presents the percent of refunds paid in FY 00/01 by corporate fiscal year. For example, in FY 00/01, 9.7% of the refund dollars paid were for corporate fiscal years ending in 1996 or before. The percentages are for refunds paid through the fiscal year.

Corporate Fiscal Year-End:	96 & Prior	97	98	99	00	01
FY 00/01	12.5%	5.9%	3.0%	65.0%	13.4%	0.1%
Corporate Fiscal Year-End:	97 & Prior	96	99	00	01	02
FY 01/02	7.1%	2.4%	2.9%	73.6%	14.0%	0.1%

The corporate refunds shown above are those refunds for which a check is mailed to the corporation. Sometimes corporations choose to apply their refund as an estimated payment. The following table present information on refunds applied as estimated payments in the most recent month and for the calendar year.

March 2002	\$11,659,727	Calendar Year Total	\$34,494,380
March 2001	\$4,902,996	Calendar Year Total	\$11,755,560
% Change	137.8%	% Change	193.4%

Corporate Income Tax Document Count

The Arizona Department of Revenue received 101,808 corporate returns showing a fiscal year-end of 2000. The type of return received is indicated below:

	120 X (amended)	120 (regular)	120S (S corp)	99T (exempt org.)	120 A (short form)
#	317	41,156	49,831	343	10,161
%	0.3	40.4	48.9	0.3	10.0

Through March 2002, 32,081 documents have been received for a fiscal year-end of 2001, distributed as follows:

	120 X (amended)	120 (regular)	120S (S corp)	99T (exempt org.)	120 A (short form)
#	61	14,875	12,051	110	4,984
%	0.2	46.4	37.6	0.3	15.5

The figures shown above for the 2001 returns are most meaningful when compared to 2000 returns received during the same period of time in the previous year. Through March 2001, the Arizona Department of Revenue received 18,223 documents with a fiscal year-end of 2000. This represents a 76.0% increase in the number of corporate returns received at this point of time in the calendar year.

Urban Revenue Sharing Returned to Cities/Towns

Incorporated cities and towns receive a share of net individual and corporate income tax collections, called Urban Revenue Sharing. The amount of money to be distributed is 15.0% of net income tax collections two years earlier. For example, the money being distributed in Fiscal Year 2001/02 is based on net income tax collections in Fiscal Year 1999/2000. Amounts returned for March 2002 are shown on Table 2, at the end of this report.

TRANSACTION PRIVILEGE, SEVERANCE AND USE TAXES

Transaction Privilege, Severance and Use Tax Receipts

The Arizona transaction privilege and severance tax consists of many categories of tax. These categories include retail, contracting, amusements, restaurants and bars, hotel/motel and mining severance tax. The collections for all such categories are divided, per statute, into two parts. One part is called distribution base; the other part is known as non-shared. The division of collections into these two parts varies from category to category. For example, retail sales tax is 40% distribution base and 60% non-shared. In contrast, contracting is 20% distribution base and 80% non-shared. Use tax is 100% non-shared.

At the close of each month, the computer aggregates transaction privilege and severance tax collections by category and calculates total distribution base and non-shared portions. The amount shown as "Use Tax" in the table below includes use tax, use inventory tax and jet fuel use tax. The "Education Tax" below represents a new category beginning with June 2001 collections. This category is in accordance with prop 301 resulting in an additional 0.6% education tax being added to most business classifications. The "Other Revenue" category includes county excise, road, jail and hospital taxes and various other excise taxes, such as the 911 excise tax.

	March 2002	March 2001	% change
Distribution Base	\$100,714,873	\$97,215,814	3.6
Non shared	190,451,163	181,967,095	4.7
Use Tax	13,369,984	16,675,781	(19.8)
Education Tax	34,758,195	0	N/A
Other Revenues	41,999,603	38,479,762	9.1
Total Collections	\$381,293,818	\$334,338,453	14.0

	Fiscal Year Total (01/02)	Fiscal Year Total (00/01)	% change
Distribution Base	\$923,853,092	\$922,886,732	0.1
Non shared	1,773,903,079	1,749,258,624	1.4
Use Tax	117,351,470	150,704,852	(22.1)
Education Tax	327,048,590	0	N/A
Other Revenues	381,989,567	352,106,972	8.5
Total Collections	\$3,524,145,799	\$3,174,957,181	11.0

Distribution of Transaction Privilege, Severance and Use Tax Receipts

Of the distribution base portion of transaction privilege and severance taxes, described above, 25% is returned to incorporated cities/towns, 40.51% is returned to counties and 34.49% goes to the state general fund with the exception of mining severance tax. All of the non-shared revenue and use tax is deposited into the general fund. Therefore, the "Retained By State" figure presented below includes all non-shared portion of transaction privilege tax, use tax and 34.49% of the distribution base collections. The Education tax is distributed in accordance with prop 301. "Other" revenues are returned to the administering authority.

	March 2002	March 2001	% change
Retained by State	\$238,557,713	\$232,107,424	2.8
Returned to Counties	40,799,591	39,422,441	3.5
Returned to Cities	25,178,716	24,328,826	3.5
Education Tax	34,758,195	0	N/A
Other	41,999,603	38,479,762	9.1
Total Collections	\$381,293,818	\$334,338,453	14.0

	Fiscal Year Total (01/02)	Fiscal Year Total (00/01)	% change
Retained by State	\$2,209,892,042	\$2,216,941,098	(0.3)
Returned to Counties	374,252,541	374,681,474	(0.1)
Returned to Cities	230,963,059	231,227,636	(0.1)
Education Tax	327,048,590	0	N/A
Other	381,989,568	352,106,973	8.5
Total Collections	\$3,524,145,799	\$3,174,957,181	11.0

Transaction Privilege and Severance Tax Collections By Class

	Tax Rate	March 2002	% Chg	Fiscal Year Total	% Chg
Transporting/Towing	5.6	\$194,365	N/A	\$1,948,485	(42.0)
Non-Metal Mining/Oil & Gas	3.125%	514,405	(10.8)	4,745,906	(8.9)
Utilities	5.6%	22,553,188	0.8	233,889,188	2.6
Communications	5.6%	12,685,679	11.3	108,401,460	0.2
Railroads/Aircraft	5.6%	93,272	(64.4)	1,511,806	19.5
Private Car/Pipelines	5.6%	17,044	N/A	206,909	(67.3)
Publishing	5.6%	486,947	(0.4)	2,600,810	(43.1)
Printing	5.6%	1,452,181	(11.6)	13,093,258	(13.6)
Restaurants/Bars	5.6%	27,946,092	1.5	232,367,796	1.5
Amusements	5.6%	3,713,077	4.3	26,161,986	(2.5)
Commercial Lease	0%	(17,131)	N/A	498,695	(86.9)
Rental of Personal Property	5.6%	14,264,572	(1.6)	133,205,565	(1.0)
Contracting	3.75% - 5.6%	46,169,163	9.5	443,155,717	6.6
Feed Wholesale	Repealed	0	N/A	(7,947)	N/A
Retail	5.6%	150,128,617	5.2	1,429,361,778	1.0
Mining Severance	2.5%	93,336	N/A	(297,325)	N/A
Timber Severance	\$2.13/\$1.51 per 1000 board ft	0	N/A	13,629	N/A
Hotel/Motel	5.5%	10,083,770	(10.5)	62,620,322	(12.8)
Membership Camping	5.6%	21,048	(9.7)	105,910	10.3
Use/Use Inventory	5.6%	13,369,984	(19.8)	116,905,059	(22.4)
Rental Occupancy Tax	3.0%	15,073	(5.6)	124,060	24.8
Jet Fuel Tax	\$.0305/\$.0105 gal	700,266	8.6	3,876,385	(7.7)
Telecommunications Devices:	1.1				
Telecom. Fund for the Deaf	----	541,450	(0.5)	4,854,117	26.9
Poison Control Fund	----	200,262	(0.5)	1,795,359	26.9
911 Wireline/Excise *	\$0.37 monthly per activated service	1,239,266	37.4	11,159,054	76.4
911 Wireless Service *	\$0.37 monthly per activated service	586,836	271.1	4,959,350	224.1
Agriculture Equipment	0%	0	N/A	21,064	N/A
Total		\$307,052,762	3.1	2,837,278,395	0.0

The Use/Use Inventory category shown on the previous page includes jet fuel use tax. These collections include only the individual classes of transaction privilege tax, severance tax and use tax. The total does not include license fees or any other fees collected by the Department.

* Effective July 1, 2001, the 911 taxes have changed. What was formerly called 911 Excise tax at 1.25% is now 911 Wireline at \$0.37 per month for each activated service. Additionally, 911 Wireless Service has also been changed from \$0.10 per month for each activated service to \$0.37.

Transaction Privilege and Severance Tax Taxable Sales By Class¹

	March 2002	% Chg	Fiscal Year Total	% Chg
Transporting/Towing	\$3,887,290	N/A	\$38,969,693	(42.0)
Non-Metal Mining/Oil & Gas	16,460, 973	(10.8)	151,868,989	(8.9)
Utilities	451,063,753	0.8	4,677,783,754	2.6
Communications	253,713,589	11.3	2,168,029,210	0.2
Railroads/Aircraft	1,865,448	(64.4)	30,236,121	19.5
Private Car/Pipelines	340,873	N/A	4,138,175	(67.3)
Publishing	9,738,944	(0.4)	52,016,200	(43.1)
Printing	29,043,614	(11.6)	261,865,158	(13.6)
Restaurants/Bars	558,921,847	1.5	4,647,355,915	1.5
Amusements	74,261,531	4.3	523,239,720	(2.5)
Commercial Lease	(1,874,456)	N/A	29,436,261	(83.8)
Rental of Personal Property	285,291,446	(1.6)	2,664,111,299	(1.0)
Contracting	923,383,259	9.5	8,863,114,365	6.6
Feed Wholesale	0	N/A	(1,694,394)	N/A
Retail	3,002,572,347	5.2	28,587,235,562	1.0
Mining Severance	3,733,445	(50.6)	(11,892,980)	N/A
Timber Severance	0	N/A	767,630	N/A
Hotel/Motel	183,341,268	(10.5)	1,138,551,305	(12.8)
Membership Camping	420,960	(9.7)	2,118,194	10.3
Use/Use Inventory	266,067,261	(19.6)	2,333,909,556	(22.3)
Rental Occupancy Tax	502,429	(5.6)	4,135,344	24.8
Agriculture Equipment	0	N/A	2,106,425	N/A
Total	\$6,062,735,823	2.9	\$56,167,401,500	(0.5)

Telecommunications Devices, 911 Excise and 911 Wireless Service classifications previously listed in the collections table, are not elements of calculated taxable income and therefore, are not included in the above table. The Use/Use Inventory category shown above does not include jet fuel use tax. Since the jet fuel use tax is a gallonage tax, this too can not be computed as taxable income. A comparison can be made of gallons of jet fuel on which Arizona jet fuel tax or jet fuel use tax was paid. In March 2002, 25,143,810 gallons of jet fuel were taxed, a 18.9% increase from the 21,143,686 reported for March 2001. Timber Severance includes only sales subject to a repealed rate. The current tax is per board feet upon which taxable income cannot be computed.

Accounting Credit

Effective to taxable periods beginning from and after July 1, 1995, a credit equal to one percent of the amount of tax due, up to \$10,000 per calendar year, is allowed to businesses for expenses incurred during the accounting and reporting of Transaction Privilege Tax. The amount of accounting credits claimed in March 2002 was \$1,891,987 a 12.3% increase from the \$1,685,316 claimed in March 2001. Accounting credits claimed-to-date in FY 01/02 equals \$12,812,922 an 8.5% increase from the \$11,806,085 claimed during the same period in FY 00/01.

¹These Taxable Sales figures are calculated on a per return basis, by taking collections and dividing them by the appropriate tax rate. These figures may not match other Taxable Sales figures calculated on the aggregate.

Taxable Sales by SIC Code Range

The taxable sales by SIC (Standard Industrial Classification) Code ranges are an indicator of business occurring for that type of retail sale. Certain limitations must be understood when using this information.

The Department of Revenue assigns a SIC code to a business based on its primary type of business activity. A grocery store would be assigned a SIC code of 5411. A business that deals primarily with dairy products would have a SIC code of 5451. A problem arises with businesses which derive revenue from multiple business activities. For example, a store like Fry's might be considered both a grocery store and a department store; however, all revenue would be reported under only one of the two possible codes. In summary, an accurate description of what this information represents would be: "These figures represent taxable retail sales for those businesses which have a primary SIC code falling within one designated range."

If the taxable sales for these ranges were added together, the total would not equal retail taxable sales. This is again due to the primary SIC code assignment. There are businesses making retail sales which do not have a primary retail SIC code.

<u>SIC Code</u> <u>Range</u>	<u>Description</u>	<u>March 2002</u>	<u>March 2001</u>	<u>% Chg</u>
5211-5271	building materials, hardware, garden supply & mobile home dealers	\$206,871,729	\$163,675,961	26.4
5311-5399	general merchandise stores	240,273,168	239,095,415	0.5
5411-5499	food stores (no food sales)	239,950,282	199,096,915	20.5
5511-5521	motor vehicle dealers	567,195,252	558,140,339	1.6
5531-5599	misc. automotive, motorcycle & boat stores	150,389,704	150,270,034	0.1
5611-5699	apparel & accessory stores	186,324,371	172,609,016	7.9
5712-5733	furniture, home furnishings & equipment stores	154,534,068	161,077,324	(4.1)
5912-5949	misc. retail stores	207,879,725	206,867,969	0.5
TOTAL		\$3,002,572,347	\$2,853,808,374	5.2

<u>SIC Code</u> <u>Range</u>	<u>Description</u>	<u>Fiscal Year 2002</u>	<u>Fiscal Year 2001</u>	<u>% Chg</u>
5211-5271	building materials, hardware, garden supply & mobile home dealers	\$1,678,469,367	\$1,481,798,764	13.3
5311-5399	general merchandise stores	2,581,276,660	2,886,856,603	(10.6)
5411-5499	food stores (no food sales)	2,231,152,648	2,254,343,854	(1.0)
5511-5521	motor vehicle dealers	5,600,261,459	5,031,218,633	11.3
5531-5599	misc. automotive, motorcycle & boat stores	1,396,909,509	1,366,080,691	2.3
5611-5699	apparel & accessory stores	1,771,830,662	1,733,316,081	2.2
5712-5733	furniture, home furnishings & equipment stores	1,465,176,675	1,560,123,784	(6.1)
5912-5949	misc. retail stores	1,993,713,890	2,019,544,765	(1.3)
TOTAL		\$28,587,235,562	\$28,316,034,273	1.0

Transaction Privilege and Severance Tax Returned to Counties

Taxpayers reported the following taxable transactions and tax collections by county. The share of the revenues returned to each county for March 2002 is shown in the County Share column.

	Dist. Base Collections	County Share	% of Total	FYTD County Share	% Chg
Apache	\$167,801	\$297,809	0.7	\$2,845,405	(17.0)
Cochise	1,478,901	737,517	1.8	6,729,083	(5.7)
Coconino	2,099,794	1,008,505	2.5	10,162,833	(2.8)
Gila	683,054	328,976	0.8	3,056,470	(8.4)
Graham	294,709	185,252	0.5	1,758,353	(4.3)
Greenlee	145,365	135,450	0.3	1,354,779	(41.2)
La Paz	227,287	119,525	0.3	1,116,990	(0.6)
Maricopa	68,468,521	26,311,108	64.5	241,405,925	1.6
Mohave	2,448,470	1,068,549	2.6	9,773,349	1.5
Navajo	1,233,244	612,241	1.5	5,996,875	0.9
Pima	15,723,864	6,282,121	15.4	56,852,327	(3.7)
Pinal	1,871,246	1,050,558	2.6	9,132,694	(1.6)
Santa Cruz	592,968	261,971	0.6	2,413,836	(2.2)
Yavapai	2,769,672	1,300,418	3.2	12,241,611	(0.5)
Yuma	2,509,977	1,099,592	2.7	9,412,011	7.7
Total	\$100,714,873	\$40,799,591		\$374,252,541	(0.1)

Transaction Privilege and Severance Tax Returned to Cities/Towns

The portion of transaction privilege and severance tax returned to each incorporated city or town for March 2002 is shown on Table 3, attached to this report.

County Tax Collections

The following county-imposed tax collections were received by the Department of Revenue during March 2002 and returned to the counties. County taxes in all but Coconino County are imposed at 10% of the state transaction privilege tax rate. Coconino's Excise Tax is 10% of the state rate, and its Jail Tax is 6% of the state rate. The stadium tax was imposed at 5% of the state rate. This rate completed its run in December 1997. Collections received now should be for prior periods. The rental car surcharge in Maricopa County is \$2.50 per car and in Pima County is \$3.50 per car. The RV Surcharge is \$0.50/day on each lease or rental of a parking space for recreational vehicles.

	Road Tax	Excise Tax	Jail Tax	Rental Car Surcharge	Stadium Tax	RV Surcharge	Hospital Tax	Capitol Projects	Tourism Authority
Apache		\$53,897							
Cochise		\$437,456							
Coconino		\$614,434	\$368,538						
Gila	\$226,812	\$219,561					\$27		
Graham		\$88,315							
Greenlee		\$37,420							
La Paz		\$164,957	\$164,957						
Maricopa	\$21,507,809		\$7,818,824	\$494,522	\$30,325				\$1,769,048
Mohave		\$362,551							
Navajo		\$360,344							
Pima				\$127,392		\$30,164			
Pinal	\$614,769	\$599,817							
Santa Cruz		\$166,555							
Yavapai		\$842,825	\$333,928						
Yuma		\$626,127	\$624,995					\$622,346	

OTHER TAXES

Luxury Taxes

The following revenues were received from luxury taxes in March 2002. The table compares the receipts to March 2001 and also compares fiscal year (FY) totals. Figures may not add to total due to rounding.

	March 2002	March 2001	% Change
Spirituos	\$920,016	\$1,909,144	(51.8)
Vinous	436,599	\$743,490	(41.3)
Malt	1,737,430	1,799,910	(3.5)
Cigarette	12,202,557	11,871,277	2.8
Other Tobacco	264,173	319,751	(17.4)
Tobacco Licenses	150	125	20.0
Total	\$15,560,925	\$16,643,698	(6.5)

	Fiscal Year Total (01/02)	Fiscal Year Total (00/01)	% Change
Spirituos	\$15,281,749	\$15,991,104	(4.4)
Vinous	6,399,436	6,312,719	1.4
Malt	15,966,314	15,873,662	0.6
Cigarette*	115,045,785	114,026,550	0.9
Other Tobacco	2,639,466	2,502,882	5.5
Tobacco Licenses	2,500	5,250	(52.4)
Total	\$155,335,250	\$154,712,168	0.4

*Through March 2002, \$393,800 of Cigarette and Tobacco tax collections has been allocated for administrative expenses and is not reflected in fiscal year collections.

General Fund revenues from luxury taxes:

	March 2002	FY (01/02)
Spirituos	\$644,011	\$10,697,224
Vinous	108,400	1,595,738
Malt	434,357	3,991,578
Cigarette	3,416,976	31,953,865
Other Tobacco	40,947	409,117
Tobacco Licenses	150	2,500
Total	\$4,644,841	\$48,650,023

Other dedicated revenues from luxury taxes:

	March 2002	FY (01/02)
Correction Fund revenues	\$1,737,587	\$18,634,333
Health Care Fund revenues	8,540,739	80,918,923
Wine Promotional Fund revenues	2,998	16,480
Drug Treatment & Education Fund revenues	455,187	5,092,591
Corrections Revolving Fund revenues	179,573	2,022,901

Estate Tax

	March 2002	\$5,640,105	Fiscal year To Date	\$69,808,493
	March 2001	<u>\$4,730,575</u>	Fiscal year To Date	<u>\$58,301,341</u>
% Change		19.2%	% Change	19.7%

Private Car

	March 2002	\$0	Fiscal year To Date	\$1,509,625
	March 2001	<u>\$7</u>	Fiscal year To Date	<u>\$1,349,685</u>
% Change		N/A	% Change	11.9%

Bingo

	March 2002	\$39,441	Fiscal year To Date	\$471,176
	March 2001	<u>\$35,908</u>	Fiscal year To Date	<u>\$474,568</u>
% Change		9.8%	% Change	(0.7%)

Unclaimed Property

	March 2002	\$439,821	Fiscal year To Date	\$32,201,420
	March 2001	<u>\$11,150</u>	Fiscal year To Date	<u>\$17,858,958</u>
% Change		N/A	% Change	80.3%

Please note that some totals throughout Tax Facts may not add due to rounding.

SOURCE: THE OFFICE OF ECONOMIC RESEARCH & ANALYSIS, ARIZONA DEPARTMENT OF REVENUE

TABLE 1
“New” Returns Filed in 2002 for Tax Year 2001
Through March 2002

Federal Adjusted Gross Income Bracket	Number of Returns	% of Total	Average FAGI	Average Tax Due	CHARACTERISTICS OF TAXPAYERS					
					% Married Joint	% Single	% Unmarried Head	% Married Separate	% Over 65	% With Dependents
Negative FAGI	224	0.2%	-8,106	\$0	15.1%	76.3%	6.5%	2.2%	20.7%	8.6%
\$0-\$5,000	19,794	20.5%	\$2,940	\$0	4.6%	76.3%	18.7%	0.4%	3.5%	26.3%
\$5,000-\$10,000	23,500	24.3%	\$7,415	\$19	8.8%	61.3%	29.2%	0.7%	5.9%	40.1%
\$10,000-\$15,000	16,743	17.3%	\$12,344	\$63	17.0%	41.3%	40.9%	0.9%	7.9%	55.4%
\$15,000-\$20,000	12,059	12.5%	\$17,347	\$122	23.8%	32.9%	42.2%	1.1%	7.9%	60.3%
\$20,000-\$25,000	7,717	8.0%	\$22,315	\$220	29.5%	29.0%	40.3%	1.2%	5.7%	63.4%
\$25,000-\$30,000	4,591	4.8%	\$27,317	\$348	33.8%	31.5%	32.9%	1.9%	5.6%	59.5%
\$30,000-\$40,000	5,075	5.3%	\$34,417	\$533	38.5%	32.9%	26.2%	2.3%	5.3%	54.6%
\$40,000-\$50,000	2,600	2.7%	\$44,550	\$775	48.2%	30.9%	19.2%	1.6%	6.9%	53.0%
\$50,000-\$75,000	2,890	3.0%	\$59,932	\$1,139	66.3%	21.1%	11.4%	1.2%	7.2%	54.2%
\$75,000-\$100,000	863	0.9%	\$85,203	\$1,857	76.8%	15.7%	7.2%	0.3%	7.3%	50.2%
\$100,000-\$200,000	484	0.5%	\$12,947	\$3,296	79.8%	14.7%	4.9%	0.6%	10.0%	41.4%
\$200,000-\$500,000	53	0.1%	266,429	8,864	79.2%	17.0%	3.8%	0.0%	7.5%	34.0%
\$500,000-\$1,000,000	*	*	*	*	*	*	*	*	*	*
\$1,000,000 and over	*	*	*	*	*	*	*	*	*	*
Total	96,598		\$16,182	\$187	19.5%	49.2%	30.4%	0.9%	6.1%	46.8%

*An asterisked line indicates that the information can not be released due to confidentiality laws.

NEW RETURNS FILED IN 2001 FOR TAX YEAR 2000

Total	239,848		\$19,759	\$353	18.8%	59.7%	19.2%	2.3%	7.5%	31.4%
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“NEW” Returns means that there was no return filed by the taxpayer in the previous filing year. This may or may not mean the filer is new to the state.

TABLE 2
Urban Revenue Sharing Returned to Cities/Towns
March 2002

City	Distribution	Population	City	Distribution	Population
<u>Apache County</u>			Scottsdale	\$1,762,968	202,705
Eagar	\$35,076	4,033	Surprise	268,292	30,848
Springerville	17,151	1,972	Tempe	1,379,595	158,625
St. Johns	28,431	3,269	Tolleson	43,260	4,974
<u>Cochise County</u>			Wickenburg	44,199	5,082
Benson	40,973	4,711	Youngtown	26,179	3,010
Bisbee	52,966	6,090	<u>Mohave County</u>		
Douglas	124,474	14,312	Bullhead City	293,696	33,769
Huachuca City	15,229	1,751	Colorado City	28,996	3,334
Sierra Vista	328,537	37,775	Kingman	174,544	20,069
Tombstone	13,081	1,504	Lake Havasu City	364,744	41,938
Willcox	32,467	3,733	<u>Navajo County</u>		
<u>Coconino County</u>			Holbrook	42,764	4,917
Flagstaff	460,030	52,894	Pinetop-Lakeside	31,153	3,582
Fredonia	9,010	1,036	Show Low	66,925	7,695
Page	59,219	6,809	Snowflake	38,790	4,460
Williams	24,717	2,842	Taylor	27,622	3,176
<u>Gila County</u>			Winslow	82,797	9,520
Globe	65,107	7,486	<u>Pima County</u>		
Hayden	7,758	892	Marana	117,899	13,556
Miami	16,838	1,936	Oro Valley	258,307	29,700
Payson	118,456	13,620	Sahuarita	28,196	3,242
Winkelman	3,853	443	South Tucson	47,748	5,490
<u>Graham County</u>			Tucson	4,232,923	486,699
Pima	17,299	1,989	<u>Pinal County</u>		
Safford	80,293	9,232	Apache Junction	276,693	31,814
Thatcher	34,980	4,022	Casa Grande	219,378	25,224
<u>Greenlee County</u>			Coolidge	67,716	7,786
Clifton	22,578	2,596	Eloy	90,234	10,375
Duncan	7,062	812	Florence	(55,790)	17,054
<u>La Paz County</u>			Kearny	19,560	2,249
Parker	27,309	3,140	Mammoth	15,324	1,762
Quartzsite	29,170	3,354	Superior	28,301	3,254
<u>Maricopa County</u>			<u>Santa Cruz County</u>		
Avondale	312,082	35,883	Nogales	181,580	20,878
Buckeye	56,854	6,537	Patagonia	7,662	881
Carefree	25,457	2,927	<u>Yavapai County</u>		
Cave Creek	32,423	3,728	Camp Verde	82,197	9,451
Chandler	1,535,762	176,581	Chino Valley	68,143	7,835
El Mirage	242,666	7,609	Clarkdale	29,762	3,422
Fountain Hills	175,988	20,235	Cottonwood	79,832	9,179
Gila Bend	17,220	1,980	Jerome	2,861	329
Gilbert	954,058	109,697	Prescott	295,166	33,938
Glendale	1,903,054	218,812	Prescott Valley	204,689	23,535
Goodyear	164,473	18,911	Sedona	88,642	10,192
Guadalupe	45,469	5,228	<u>Yuma County</u>		
Litchfield Park	33,136	3,810	San Luis	133,259	15,322
Mesa	3,447,356	396,375	Somerton	63,194	7,266
Paradise Valley	118,839	13,664	Wellton	15,907	1,829
Peoria	942,464	108,364	Yuma	674,164	77,515
Phoenix	11,489,405	1,321,045			
Queen Creek	37,537	4,316	TOTAL	\$35,156,381	4,045,436

TABLE 3
Transaction Privilege and Severance Tax Returned to Cities/Towns
March 2002

City	Distribution	Population	City	Distribution	Population
<u>Apache County</u>			Scottsdale	\$1,258,628	202,705
Eagar	\$25,042	4,033	Surprise	191,540	30,848
Springerville	12,244	1,972	Tempe	984,928	158,625
St. Johns	20,298	3,269	Tolleson	30,884	4,974
<u>Cochise County</u>			Wickenburg	31,555	5,082
Benson	29,251	4,711	Youngtown	18,690	3,010
Bisbee	37,814	6,090	<u>Mohave County</u>		
Douglas	88,865	14,312	Bullhead City	209,677	33,769
Huachuca City	10,872	1,751	Colorado City	20,701	3,334
Sierra Vista	234,551	37,775	Kingman	124,612	20,069
Tombstone	9,339	1,504	Lake Havasu City	260,400	41,938
Willcox	23,179	3,733	<u>Navajo County</u>		
<u>Coconino County</u>			Holbrook	30,530	4,917
Flagstaff	328,427	52,894	Pinetop/Lakeside	22,241	3,582
Fredonia	6,433	1,036	Show Low	47,779	7,695
Page	42,278	6,809	Snowflake	27,693	4,460
Williams	17,646	2,842	Taylor	19,720	3,176
<u>Gila County</u>			Winslow	59,111	9,520
Globe	46,482	7,486	<u>Pima County</u>		
Hayden	5,539	892	Marana	84,171	13,556
Miami	12,021	1,936	Oro Valley	184,412	29,700
Payson	84,569	13,620	Sahuarita	20,130	3,242
Winkelman	2,751	443	South Tucson	34,088	5,490
<u>Graham County</u>			Tucson	3,021,992	486,699
Pima	12,350	1,989	<u>Pinal County</u>		
Safford	57,323	9,232	Apache Junction	197,538	31,814
Thatcher	24,973	4,022	Casa Grande	156,620	25,224
<u>Greenlee County</u>			Coolidge	48,345	7,786
Clifton	16,119	2,596	Eloy	64,420	10,375
Duncan	5,042	812	Florence	53,930	14,446
<u>La Paz County</u>			Kearny	13,964	2,249
Parker	19,497	3,140	Mammoth	10,941	1,762
Quartzsite	20,826	3,354	Superior	20,205	3,254
<u>Maricopa County</u>			<u>Santa Cruz County</u>		
Avondale	222,803	35,883	Nogales	129,635	20,878
Buckeye	152,508	8,497	Patagonia	5,470	881
Carefree	18,174	2,927	<u>Yavapai County</u>		
Cave Creek	23,148	3,728	Camp Verde	58,683	9,451
Chandler	1,096,420	176,581	Chino Valley	48,649	7,835
El Mirage	47,246	7,609	Clarkdale	21,248	3,422
Fountain Hills	125,642	20,235	Cottonwood	56,994	9,179
Gila Bend	12,294	1,980	Jerome	2,043	329
Gilbert	681,126	109,697	Prescott	210,726	33,938
Glendale	1,358,639	218,812	Prescott Valley	146,133	23,535
Goodyear	117,421	18,911	Sedona	63,284	10,192
Guadalupe	32,461	5,228	<u>Yuma County</u>		
Litchfield Park	23,657	3,810	San Luis	95,137	15,322
Mesa	2,461,156	396,375	Somerton	45,116	7,266
Paradise Valley	84,842	13,664	Wellton	11,357	1,829
Peoria	672,849	108,364	Yuma	481,303	77,515
Phoenix	8,202,579	1,321,045	TOTAL	\$25,178,716	4,044,788
Queen Creek	26,799	4,316			

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